

APPENDIX B
Oklahoma Corporation Commission
Class II Well Program
End-of-Year Narrative FY05
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The Oklahoma Corporation Commission, Oil and Gas Division continues its effort to make Commission data available to the public in more useful formats. The Commission has contracted SCI (Strategic Consulting International) to create a GIS viewer for the OCC. The viewer will be available on the Commission website and will include UIC, Oil and Gas well data.

The commission, with the help of EPA grants, is issuing laptop computers to its field inspectors. Sixteen of these laptops are now in the field with the remaining 40 currently being configured for use. The inspectors have also been issued Garmin hand held satellite positioning devices to determine their position in Lat-Long. The laptops have GIS software that allows the Inspector to use aerial photos and commission well data to locate and identify the legal locations of disposal and injection wells. The UIC database will be loaded on these computers sometime in early 2006. This will facilitate UIC inspections by making them faster, easier and more accurate, with violations of UIC regulations being determined quickly in the field.

The UIC program continues to experience high permitting activities as seen in prior years. This year the UIC Department approved 247 disposal wells and 269 enhance recovery wells totaling 516 UIC wells.

The increase in recent years is obviously a reflection of the price of oil that has greatly increased in the last two years. The OGCD maintains witnessing mechanical integrity tests a high priority, once again witnessing 100% of the 1,181 disposal wells and 1,771 enhanced recovery wells tested this year. Another interesting statistic is the failure rate of the mechanical integrity tests has reached an all time low of 4.7%. This is believed in part due to the OGCD's policy of witnessing a high percentage of the mechanical integrity tests while in addition newer wells being converted to UIC wells as the number of rule authorized or wells authorized prior to primacy continue to decline. In addition to the MITs that were witnessed by field inspectors, the OGCD conducted 11,365 routine inspections on Class II wells. This is a reflection of the OGCD's policy of maintaining UIC inspections as a high priority with the agency.

Although the OGCD did see a dramatic budget decrease in state fiscal year 04 which manifested into a reduction in force. The OGCD was able to maintain UIC work plan commitments. The OGCD was allocated a budget increase in state fiscal 05 which allowed the agency to fill some vacant field personnel positions. The OGCD will continue to look for ways to cut costs while maintaining a quality program, such as modernizing information technology. However, funding revenues continue to be the major stumbling block in making long range planning a realistic goal.